

**Energy
Information
Administration**

DEPARTMENT OF ENERGY
FY 1998 CONGRESSIONAL BUDGET REQUEST

Proposed Appropriation Language

Energy Information Administration

For necessary expenses in carrying out the activities of the Energy Information Administration, [\$66,120,000] \$62,800,000, to remain available until expended. (Department of Interior and Related Agencies Appropriations Act, 1997).

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ENERGY INFORMATION ADMINISTRATION

PROGRAM MISSION

MISSION

On line and off the shelf, the Energy Information Administration (EIA) is the first place to go for the last word in energy information. The EIA is a leader in providing high-quality, policy-independent energy information to meet the requirements of Government, industry, and the public in a manner that promotes sound policymaking, efficient markets, and public understanding. As part of EIA's strategic plan, the following goals have been set:

- Work together to achieve the full potential of a diverse work force through teamwork and employee development.
- Assure data and analyses are of the highest quality and relevant to the needs of customers.
- Provide customers fast and easy access to public energy information.
- Make resource and program decisions based on customer input and conduct business in an efficient and cost-effective manner.
- Be an objective partner in fulfilling the mission of the Department of Energy.

As an independent statistical/analytical agency, EIA has two principal roles. First, its primary responsibility is to conduct the functions required by statute. This consists of the development and maintenance of a comprehensive energy database and the publication of reports and analyses for a wide variety of customers in the public and private sectors. There are also specific reports which are required by law. Second, EIA satisfies inquiries for energy information. The primary customers of EIA services are public policymakers in the Department of Energy and the Congress. Other customers include other Federal agencies, state and local governments, the energy industry, educational institutions, the news media, and the public. To preserve credibility with this broad client base requires EIA to maintain its independence from policy development. Consequently, EIA's role is to provide data and perform analyses, not to develop or take policy positions. EIA has analyzed and will continue to analyze those policy proposals generated elsewhere.

BUDGET REQUEST

The FY 1998 Congressional budget request for EIA is \$62.8 million plus \$5.0 million in funds from the DOE Office of Energy Efficiency and Renewable Energy. This request is 4.4% below the comparable level of \$70.9 million appropriated for FY 1997 (\$66.1 million appropriation plus \$4.8 million in funds from DOE Energy Efficiency). The \$5.0 million in external transfers in FY 1998 are for support for core EIA data and modeling activities needed to set energy efficiency program needs and measure program results.

The most significant change to the core EIA program in FY 1998 will be the addition of analysis and data collection in response to electric industry restructuring. The recent proposed rulemaking to restructure the electric utility industry has far-reaching impacts on the domestic energy sector, the U.S. economy, and financial markets. The direction, extent and timing of the transition to more competitive markets, as well as the ultimate market structure, is highly uncertain. Analysis will address questions such as: potential effects of restructuring on energy supply, demand, and prices; technical, operational, and market constraints which may affect the implementation of the restructuring; how restructuring of other industries, foreign and domestic, provides insights into electric utility restructuring; and potential impacts on the financial performance of firms in the electric power industry. Additional data collection will be conducted to update electric power industry survey frames to capture data on new power suppliers, prices, and transition costs resulting from the deregulation of electricity markets. The publication "Electric Trade in the United States" will be produced to disseminate information on the effects of restructuring in U.S. electricity markets.

EIA will continue to strive to maintain its position as the nationally and internationally recognized source of energy information through projects such as the following:

- Providing publicly available data on an Internet EIA Home Page
- Providing a periodic CD ROM of the latest EIA information, data, publications, and models
- Maintaining the product and service mix up-to-date by assessing customer requirements through interactions such as user forums and customer surveys
- Evaluating and utilizing dissemination processes (for example, the media) to maximize effectiveness in reaching various customer groups
- Improving access to its information by providing clearly written press releases, executive summaries, and graphics
- Using performance measures to track progress and identify areas for improvement.

BUDGET IMPACTS

EIA's FY 1998 proposed funding level of \$67.8 million is 25% lower in constant dollars than the FY 1995 appropriation of \$84.5 million. Although numerous efficiency gains have been achieved, budget cuts have affected several programs, including those related to energy emergencies. Support for the National Energy Modeling System, which includes mid-term projections of imported oil dependence, has been cut by 37%; thereby reducing the ability to perform detailed analysis. EIA may have to decline some customer requests for data and analysis that normally accompany periods of energy price volatility.

The depth and scope of EIA's traditional energy program will be altered in FY 1998 as follows:

- Change of Residential Energy Consumption Survey to quadrennial basis
- Additional data collection and analysis in the area of electric industry restructuring; publication on "Electric Trade in the United States"
- Elimination or reduction in the scope of several publications
- Eliminations, consolidations, and reduced frequency of data collections, such as reducing the sample size of the Annual Oil and Gas Reserves Survey in alternate years
- Reduced development of improvements to modeling systems, such as further development of the Natural Gas Deliverable Model
- Reductions in analysis and customized support, such as support to the International Energy Agency
- Reductions in data quality activities
- Decreased distribution of hard-copy reports and increased use of electronic data dissemination.

These changes are best viewed across EIA's main business lines, as shown below.

Survey and Data Operations/ Data Integration. EIA will continue with most EIA sponsored surveys and data collections. Other changes will occur to accommodate a lower funding level. Every other year, the Annual Oil and Gas Reserves Survey will be reduced to a sample of 150 companies instead of the usual 3,800 from a universe 23,000 companies. Reductions will occur in the products and state-level coverage on the Petroleum Price and Volume Survey (EIA-782B). Additionally, volume data on the State Heating oil and Propane Program survey will no longer be collected. The sample size in the Fuel Oil and Kerosene Sales Survey (EIA-821) will be reduced. The Petroleum Supply Annual will be supported with monthly surveys; the annual surveys will be eliminated. Customized support to the International Energy Agency will be eliminated.

Analysis and Forecasting. The final model development, including model sensitivity testing, documentation, and outreach activities of the National Gas Deliverable model will be reduced in scope. Contracted analysis support for the Performance Profiles processing cycle will be reduced. In addition, non-Financial Reporting System (FRS) public financial data will be eliminated.

Product Preparation and Dissemination. EIA's main product line will remain relatively unchanged after consolidations that occurred in FY 1996 and FY 1997. With declining budgets, a choice was made to provide more of EIA's products electronically and reduce the number of printed publications. Electronic distribution increases speed and flexibility of access and eliminates printing and postage costs. EIA will continue to produce a quarterly CD-ROM of many EIA products, along with the maintenance of the fax-on-demand system.

Technical Support. Reductions in the area of computer support will be primarily associated with the planned removal of the in-house mainframe computer. Many applications will be moved to the personal computing environment with use of local area networks. Remaining mainframe requirements will be out-sourced to other mainframe facilities.

STAFFING

Federal staff levels are projected to decline from 417 to 374, or 10%, between FY 1997 and 1998, with a cumulative decline of 21% between FY 1995 and 1998. The FTE targets for this period will decline from 471 to 374. Costs for salaries and benefits are projected to decline by 3.2% during this same period. Declining FTE costs are being offset by cost increases resulting from pay raises, separation activities, and increasing average longevity. The FTE target for FY 1998 is expected to be met through a combination of normal attrition, a reduction-in-force, and requesting the use of buyouts under existing authority available until December 1997. Under strategic planning, EIA is examining its staff skill mix. As contract funds decline, more functions will be performed by Federal staff. Current and anticipated skill and knowledge requirements are being examined. A corporate training plan is being formulated.

PERFORMANCE MEASURES

EIA has developed its own set of performance measures and is currently participating in a pilot project sponsored by the Office of Management and Budget as part of the Government Performance and Results Act. The project is titled "Vision 2000: Improving EIA Products and Services" and involves the development of performance goals and objectives and measurement of performance toward those goals. An agency-wide committee developed a set of 14 performance criteria for EIA as a whole. The

organization is now implementing these measures, collecting information where it is available, and planning for collection where it is not available.

The measurement criteria fall into the following categories:

- Input measures: resources used (efficiency and productivity costs)
- Process measures: training (percentage of staff trained), requests for service (amount in dollars and numbers), team building (percentage of staff on teams), culture climate (employee satisfaction index), and data operations
- Output measures: EIA products (number of products and effectiveness index, or number of customers served), changes in product mix, and quality (timeliness and accuracy)
- Outcome measures: customer satisfaction index, customer suggestions recognized, and citations of EIA information or uses of EIA products.

EIA has progressed to the implementation stage with performance measurement. Collection of data and the development of a performance measurement data system is underway. Some information on performance measures has been collected by EIA-wide surveys, including customer satisfaction and employee attitudes. Other information has been collected by individual programs and aggregated to an agency total. Specific information on selected performance measures is discussed below. The main focus of the EIA's performance measurement effort in FY 1997 and FY 1998 is to incorporate fully the performance measures into the EIA strategic planning and budgeting processes and into the agency's infrastructure as envisioned in both the Government Performance and Results Act of 1994 and the Government Management Reform Act of 1995.

Customer Satisfaction. The year 1996 was the second year that EIA conducted a survey of its telephone customers with a majority indicating that they were satisfied with the availability, relevance, accuracy, and comprehensiveness of EIA's information. The lowest mark the respondents gave referred to the timeliness of EIA information. EIA's management has attempted to address the timeliness issue by increasing the early electronic release of information followed by a later release in hard copy. EIA's customer survey has also shown that customers are expressing a high level of satisfaction (95%) with the service they are receiving from EIA's workforce. Respondents were also asked to rate their satisfaction with the ease with which they were served, courtesy, the familiarity of the service provider with the information, and promptness. In each of these categories, about 90% of the respondents indicated that they were satisfied. EIA's management has acknowledged the importance of customer satisfaction and as part of its current strategic plan has established a customer feedback analysis program designed to corporately review feedback and develop ways to improve the products and services delivered to the customers. The goals for the agency by

2002 are to increase the number of customers that are very satisfied with the relevance of data and analyses to 70% and with ease of access to data and analyses to 70%. In 1996, customer satisfaction was at 58% for relevance and 54% for ease of access.

Customers Served. EIA is expanding both its customer base and the avenues through which it communicates. During 1996, EIA dramatically increased its electronic presence on the Internet. As of December 1996, the use of the Internet was at a pace of 722 unique users per day and 15,000 file downloads per month, and those rates are part of rapid upward trends. Some of EIA's customers are moving from hard copy to electronic means for receiving their information from EIA. Between FY 1994 and FY 1995, there was a 20% decrease in the number of hard-copy publications distributed. One of EIA's significant customer segments is the general media. Uses of EIA information by the media have increased by 25% from a monthly average of 104 in FY 1994 to 130 in FY 1995. Increased use of this customer segment is important because of the multiplicative effect it has on the dissemination of EIA's information. The goals for the agency by 2002 are to increase the number of unique daily users of EIA's Internet site by 25% per year and to increase citations of EIA information in the media by 10% per year.

Timeliness and Accuracy. Some of EIA's customers indicated a need for more timely information from EIA. In an attempt to properly address this issue, EIA has developed timeliness information for 77% of its inventory of surveys. This information measures the period of time from the closure of the survey period until the time the resulting data is first published in a hard-copy publication. The information that EIA does have at present will be used as a baseline for the development of efforts designed to improve the timeliness of information delivered to the public. EIA is working to develop the same information for its electronic releases of information. The effort to measure the timeliness of electronic information is expected to be a major portion of the performance measurement work in FY 1997. Similar accuracy information has been developed for 54% of EIA's inventory of surveys. Of particular concern to EIA's management is the trade-off between increasing the timeliness and decreasing the accuracy of the information. This balancing is expected to be actively monitored throughout the coming fiscal year. The goal for the agency by 2002 is to increase the number of customers that are satisfied with timeliness of data to 80% and with accuracy of data to 60%. In 1996, customer satisfaction was at 73% for timeliness and 52% for accuracy.

Employee Satisfaction. The year 1995 was the second year EIA conducted an organizational assessment survey to measure employee satisfaction. As a result of the 1994 organizational survey, EIA's management focused improvement efforts on two workforce satisfaction indicators: provide employees with the necessary training to perform their job effectively and increase cooperation between work groups through team building. For 1995, EIA's goals were to increase the employee satisfaction

rating from the previous survey and equal or exceed the average organizational sample benchmarks in each of these areas (defined as the average scores of other government agencies and similar private businesses). Results from the 1995 survey indicated that employee satisfaction was up, as indicated by meeting both of these goals. The goal for the agency by 2002 is to increase the EIA score on the organizational assessment survey to match the average organizational sample benchmark of 5.0 for training and 5.7 for team building. In 1994, EIA scores were 4.6 for training and 4.6 for team building.

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ENERGY INFORMATION ADMINISTRATION
(dollars in thousands)

SUMMARY OF CHANGES

FY 1997 Appropriation	\$ 66, 120
FY 1998 Adjustments	
Oil and Gas	\$ - 976
Coal, Nuclear, Electric, and Alternate Fuels	\$ - 249
Energy Markets and End Use	\$ - 295
Integrated Analysis and Forecasting	\$ +315
ADP Services	\$ - 2, 152
Information Services	\$ +20
Statistical Standards	\$ - 200
Program Direction	
Salaries and Benefits Increase	\$ +1, 715
Federal Staff and Overhead Reduction	\$ - 1, 498
FY 1998 Congressional Budget Request	\$ 62, 800

DEPARTMENT OF ENERGY
 FY 1998 CONGRESSIONAL BUDGET REQUEST
 ESTIMATES FOR INSTITUTIONS OF HIGHER LEARNING
 ENERGY INFORMATION ADMINISTRATION
 (dollars in thousands)

<u>Appropriation/Decision Unit</u>	<u>Name of Program</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Energy Information Administration	Assistance to Historically Black Colleges and Universities and Hispanic Serving Institutions	\$ 72	\$ 165	\$ 165
	Commemorative Programs	\$ 1	\$ 4	\$ 4
	Diversity	\$ 5	\$ 10	\$ 10
Total		\$ 78	\$ 179	\$ 179

Program Contact:
 Name: Barbara Hall
 Telephone: 202-586-4482

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(dollars in thousands)

PROGRAM PERFORMANCE SUMMARY

NATIONAL ENERGY INFORMATION SYSTEM

I. Mission Supporting Goals and Objectives: Oil and Gas

The Oil and Gas program designs, develops, and maintains oil and gas statistical and current and short-term analytical and forecasting information systems. This program also performs data collection, quality control, processing, analysis, short-term forecasting, and report preparation activities associated with these energy sources. The Petroleum Supply program focuses on crude oil and refined petroleum products. The Petroleum Marketing program focuses on crude oil and refined petroleum product price and marketing statistical information systems. The Reserves and Natural Gas program focuses on oil and gas reserves and production and all aspects of natural gas markets.

II. Funding Schedule: Oil and Gas

Program Activity	FY 1996 Enacted	FY 1997 Enacted	FY 1998 Request	% Change
Petroleum Supply	\$ 3,497	\$ 3,497	\$ 2,992	-14
Petroleum Marketing	\$ 3,913	\$ 3,913	\$ 3,673	-6
Reserves and Natural Gas	\$ 2,966	\$ 2,966	\$ 2,735	-8
Total, Oil and Gas	\$ 10,376	\$ 10,376	\$ 9,400	-9